

3-23-84
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ASSIGNMENT

THIS IS AN ASSIGNMENT OF PERMITS, LICENSES, CONTRACTS, CREDITS, LEASES AND INTANGIBLE ASSETS ("Assignment") made on March 22, 1984, between LONE STAR INDUSTRIES, INC., a Delaware corporation ("Assignor") and OREGON PORTLAND CEMENT COMPANY, a Nevada corporation ("Assignee").

WHEREAS, Assignor and Ash Grove Cement Company have entered into an Asset Purchase Agreement, dated as of January 25, 1984, for the sale of certain property located in Seattle, Washington and Dall Island, Alaska ("Property"); and

WHEREAS, Ash Grove Cement Company has assigned all of its rights under the Asset Purchase Agreement to Assignee; and

WHEREAS, Assignor is the owner of, has an interest in or was a party to numerous permits, licenses, contracts, credits, leases and intangible assets pertaining to the ownership or operation of the Property (collectively "Permits and Contracts"), which Permits and Contracts are described in the Schedule of Permits and Contracts attached hereto and made a part hereof as Exhibit A; and

WHEREAS, Assignor desires to assign the Permits and Contracts to Assignee, and Assignee desires to accept and assume the Permits and Contracts from Assignor.

NOW, THEREFORE, in consideration of the mutual terms and conditions herein set forth and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment and Acceptance. Assignor hereby sells, assigns, conveys, grants and sets over unto Assignee all of Assignor's right, title and interest in and to, and all of Assignor's obligations under, the Permits and Contracts. Assignee hereby accepts the foregoing assignment and agrees from the date hereof to be bound by and perform each and every obligation of the Assignor under each of the Permits and Contracts.

2. Obtaining Consents. Assignor and Assignee acknowledge and agree to the following: Notwithstanding any other statement contained herein, some of the Permits and Contracts cannot be effectively transferred until certain consents are obtained. Consents to the assignment of those Permits and Contracts listed in Exhibit B, which is attached hereto and incorporated herein by this reference, have not been

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obtained on or before the date hereof. With respect to those Permits and Contracts listed in Exhibit B, Assignor is hereby released by Assignee from all obligation and/or liability relating to or stemming from such Permits and Contracts, with the sole exception that Assignor shall make reasonable and good faith efforts to obtain the required consents as soon as possible.

3. Indemnification. Assignor shall indemnify, defend and hold Assignee harmless from any loss, expense or liability resulting from Assignor's breach of any obligation of Assignor under any of the Permits and Contracts prior to the date hereof. Assignee shall indemnify, defend and hold Assignor harmless from any loss, expense or liability resulting from any breach, after the date of this Assignment, of any obligation assumed by Assignee under any of the Permits and Contracts.

4. General.

(a) This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assignees.

(b) This Assignment shall be governed by and construed under the laws of the State of Washington.

(c) The headings and captions hereof are for convenience purposes only.

(ASSIGNEE)

(ASSIGNOR)

OREGON PORTLAND CEMENT COMPANY

LONE STAR INDUSTRIES, INC.

By:

Its

Leah M. Welch
President

By:

Its

J. G. Smith
V.P.

EXHIBIT A

Assignor assigns to Assignee, and Assignee accepts and assumes from Assignor, all of the below-described contracts, leases, licenses, permits, credits and intangible assets except (1) the Labor Related Contracts described in paragraph one, (2) the Railroad Hopper Car Lease described in paragraph nine and (3) the Superior Hyurly Trademark described in paragraph twelve.

SEATTLE PLANT

The following is a list and brief description of the documents heretofore delivered to Buyer, which documents represent all contracts, leases, licenses, permits credits and intangible assets that pertain to the ownership or operation of the Seattle Cement Plant (in addition, one unrecorded easement is included among this list and the attached documents).

1. Labor Related Contracts. Copy of Labor Agreement between Lone Star Industries, Inc., and United Cement, Lime, Gypsum and Allied Workers Local Union No. 47, effective through April 30, 1984. Copies of Insurance and Health Agreement, Pension Agreement and Supplemental Unemployment Benefit Plan between Lone Star Industries, Inc., and United Cement, Lime, Gypsum and Allied Workers International Union, effective through April 30, 1984.

2. Pollution Control Tax Credits. List of Pollution Control Tax Credits, including Certificate Number, Initial Balance, Credit Amount Still to be Taken as of 12/31/83, Yearly Credit and Remaining Number of Years. Copy of the Washington State Department of Revenue's form Affidavit, through which the transfer of the Pollution Credits is effected.

3. 1984 Raw Materials Supply Contracts

<u>Material</u>	<u>Supplier</u>
Silica Sand	Industrial Mineral Products Co.
Riverside White Cement	Riverside Cement Company
Lignosite Liquid	Georgia-Pacific Corporation
Molasses	Pacific Molasses Company
Screened Pebble Gypsum	Norwest Gypsum
Silica Sand	Wenatchee Silica Products, Inc.

4. Monsanto VBLS Agreement. Copy of letter agreement between Monsanto and Lone Star, dated 3/26/80, regarding the disposal of Monsanto's VBLS by-product and Monsanto's installation and lease of certain facilities for the handling of VBLS at the Seattle Cement Plant (effective at least through 12/31/84; silent with respect to assignment). With respect to paragraph 4 of the 3/26/80 letter, it is estimated that the cost of Facilities will have been fully reimbursed by Lone Star by December 31, 1984. Copy of letter from Monsanto dated August 31, 1983, adjusting the disposal rate effective as of August 1, 1983.

5. Texada Limestone Mining Agreement. Copy of Mining Agreement between Lone Star and Lafarge Cement of North American Ltd., dated March 23, 1967, covering the removal and processing of limestone from District Lot 499, Texada Island District, B.C., Canada, which Agreement has apparently been renewed on an annual basis since January 1, 1974. Pursuant to clause 20 of the Agreement, the Agreement "shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. . . ." Copy of letter dated October 31, 1983 from Canada Cement Lafarge Ltd. continuing the Mining Agreement for the year 1984.

6. Coal Towing and Unloading. Copy of letter from Lafarge Concrete Ltd. dated December 5, 1983 proposing Coal Towing and Unloading rates for 1984. Lone Star rejected the proposal, opting instead for the continuance of the 1983 rates through February, 1984 (with an agreement that Lone Star will reimburse Lafarge for costs if costs exceed the 1983 rates). A new proposal will be considered for rates effective as of March 1, 1984.

7. Permit for the Unloading and Stockpiling of Coal. Copy of Permit from the Puget Sound Air Pollution Control Agency ("Agency") dated February 28, 1983 authorizing the unloading and stockpiling of coal at the Seattle Cement Plant. To effect the transfer of this Permit, Ash Grove should notify the Agency that Ash Grove (1) has purchased the Cement Plant from Lone Star, (2) will abide by the terms of the Permit and (3) will abide by the terms of the January 12, 1983 letter referred to in the Permit. Copy of the January 12, 1983 letter, which pertains to fugitive dust control.

8. Transportation Agreement with Burlington Northern. Copy of an agreement between Lone Star and Burlington Northern dated June 9, 1983 covering the transportation of cement to Lone Star's Portland Terminal (effective through July 18, 1986). Pursuant to Section 14 of the Agreement, consent to assignment is required. The Agreement is confidential.

9. Railroad Hopper Car Leases. Copy of lease between ACF Industries and Lone Star dated July 14, 1970 through which Lone Star leases 15 railroad hopper cars and copy of September 28, 1973 amendment thereto. Copy of May 1, 1980 Agreement in which Lone Star extends the term of July 14, 1970 lease through June 30, 1985. Pursuant to paragraph 3 of the May 1, 1980 Agreement, Lone Star must obtain ACF Industries' consent to an assignment.

10. Lease of Rail Car for Lignosite Storage. Copy of letter agreement between Lone Star and Georgia-Pacific dated October 25, 1982 in which Lone Star agrees to lease, until February 28, 1983, a 10,000 gallon rail car for storage of Lignosite. The lease has been extended on a month-to-month basis, although there is no written agreement to that effect, and the current rent is still \$200 per month. The letter agreement is silent with respect to assignment.

11. Easement Granted to Port of Seattle. Copy of an easement dated August 24, 1976 in which Lone Star granted to the Port of Seattle an easement on Lone Star property located at the corner of East Marginal Way South and South Dakota Street (vacated) for ingress and egress for trucks. Lone Star can terminate the easement at any time upon giving the Port 90 days advance notice. Apparently the easement is unrecorded.

12. Trademarks. Copies of the State of Washington's Certificate of Renewal of Registration of Trademark for the following trademarks:

No. 2114-R	"Diamond Portland Cement"	Expires 9/17/86
No. 2270-R	"Superior Masonry"	Expires 10/25/86
No. 2522-R	"Superior Portland Cement"	Expires 3/21/87
No. 2269-R	"Superior Hyurly"	Expires 10/25/86

Copy of the pertinent Washington statute (RCW 19.77.060) explaining the ministerial nature of trademark assignments.

13. Radioactive Materials License. Copy of the radioactive materials license authorizing the use of Cesium 137 in two sealed sources that are not to exceed 150 millicuries each (expiration date of April 30, 1985). Copy of the May 1, 1970 radioactive materials license and the March 26, 1980 application for radioactive materials license (the April 15, 1970 application is missing from Lone Star's files). Copy of the pertinent Washington regulation (WAC 402-19-300) explaining the discretionary nature of radioactive materials license assignments.

14. Mooring Post Agreement. Copy of letter agreement between Lone Star and the Port of Seattle dated January 12, 1977 in which the Port grants Lone Star the right to construct and use a certain mooring post. The Port may terminate the agreement by giving Lone Star 30 days' written notice. One of the conditions in the agreement is that the Port be named as an additional insured on liability insurance policies maintained, with certain minimum limits, by Lone Star.

15. Spur Track Agreement. Copy of agreement between Lone Star and Chicago, Milwaukee, St. Paul and Pacific Railroad Company dated November 5, 1951 pertaining to the use, ownership and maintenance of spur tracks serving the Seattle Cement Plant. Pursuant to paragraph 13, Lone Star's rights under the agreement are not to be assigned until the written consent of the Railroad Company is obtained. The agreement has no expiration date but it can be terminated by the Railroad Company under certain conditions (see paragraphs 12 and 13).

16. Leased Automobiles. List of leased automobiles driven by Lone Star employees, including license number and leasing company. List of the monthly payment for each such automobile and the balance owed on each automobile as of December 31, 1983. These leases are assignable and Ash Grove will assume the balance owed by Lone Star at the time of the assignment and will pay no more as a monthly lease fee than Lone Star was paying prior to the assignment.

17. Cement Supply Contracts. Lone Star has entered into three oral agreements to supply cement, the essential terms of which are as follows (if, in fact, no sufficient writing exists, the agreements may violate the Statute of Frauds and therefore be voidable):

A. Lone Star agreed to supply Stevenson Construction Company with Type II cement for use in the construction of the Mt. Baker Tunnel project for Fifty-eight and 80/100 Dollars (\$58.80) per ton, delivered (this price is apparently subject to adjustment based upon a certain Index published in Engineering News Record, but it is deemed to be unlikely that it will be so adjusted), and Stevenson Construction Company agreed to purchase all of the Type II cement it needs on that job from Lone Star at that price. It is expected that approximately Eighteen Thousand tons of Type II cement will be needed by Stevenson Construction Company on the Mt. Baker Tunnel project. It is further expected that this agreement will be fulfilled by the end of 1985.

B. Lone Star agreed to supply Everett Concrete Products with Type III cement for use (tunnel liners) in the construction of the Mt. Baker Tunnel project for Sixty-nine Dollars (\$69.00) per ton, delivered, and Everett Concrete Products agreed to purchase all of the Type III cement it needs on that job from Lone Star at that price. It is expected that approximately Three Thousand tons of Type III cement will be needed by Everett Concrete Products on the Mt. Baker Tunnel project. It is further expected that this agreement will be fulfilled by the end of 1985.

C. Lone Star agreed to supply Mole-Coluccio, joint venturers, with Type I-2 cement for use in the Steilacoom Sewage Treatment Plant project for Fifty Seven and 80/100 Dollars (\$57.80) per ton, delivered, and Mole-Coluccio agreed to purchase all of the Type I-2 cement it needs on that job from Lone Star at that price. It is expected that approximately Three Thousand tons of Type I-2 cement will be needed by Mole-Coluccio on the Steilacoom Sewage Treatment Plant project. It is further expected that this agreement will be fulfilled by the end of 1984.

18. Corps of Engineers Letters. Copies of the June 13, 1983 and January 5, 1984 letters written to Lone Star by Colonel Norman C. Hintz of the Seattle District Corps of Engineers. The letters pertain to potential interference by the Associated Transportation Center marina with Federal Turning Basin No. 1 and contain certain statements and representations on which Lone Star has relied and on which Ash Grove may wish to rely.

19. Elevator Permits. Copies of two Elevator Permits issued by the City of Seattle Department of Construction and Land Use. The Elevator Permits are assigned to the elevators themselves and therefore nothing needs to be done to effect their transfer.

DALL ISLAND

The following is a list and brief description of contracts and easements pertaining to the Dall Island property. Other easements and rights of way are referenced in the preliminary commitment for title insurance.

20. Implementation Agreement between Lone Star Industries, Inc. and Sealaska Corporation.

21. Timber and Mineral Deed and Removal Agreement between Lone Star Industries, Inc. and Sealaska Corporation.

22. Easement and Joint Use Agreement between Lone Star Industries, Inc. and Sealaska Corporation - nonexclusive, perpetual easement that is expressly stated to run with the land and therefore bind successors and assignees (see paragraph 11); contains provisions pertaining to construction and use of a dock (see paragraph 10).

23. Timber Removal Agreement between Lone Star Industries, Inc. and Sealaska Corporation.

24. Limestone Removal Agreement between Sealaska Corporation and Lone Star Industries, Inc. - involves neighboring property; includes a grant of nonexclusive easement (see paragraph 5); expressly benefits Lone Star's successors and assignees (see paragraph 1) and contains requirements that will affect Ash Grove with respect to insurance coverage.

EXHIBIT B

Consents to assignment have not been obtained with respect to the following Permits and Contracts:

1. Permit for the Unloading and Stockpiling of Coal (see paragraph 7 in Exhibit A).
2. Transportation Agreement with Burlington Northern, the assignment of which must be consented to by both Burlington Northern and the Interstate Commerce Commission (see paragraph 8 in Exhibit A).
3. Radioactive Materials License (see paragraph 13 in Exhibit A).